

July 18, 2025

D-2025-Legislation-002

TO: REGIONAL CENTER EXECUTIVE DIRECTORS
REGIONAL CENTER BOARD PRESIDENTS

SUBJECT: 2025 TRAILER BILL LANGUAGE AFFECTING REGIONAL CENTERS

The purpose of this directive is to provide a summary of the 2025 Developmental Services Budget Trailer Bill, [AB 143 \(Chapter 12, Statutes of 2025\)](#) and the still-pending 2025 Social Services Trailer Bill, SB 119, which affects regional centers, state operated services and the developmental disabilities services system. The changes made by these bills became effective with their enactment, unless otherwise specified by the statute. While this letter provides a high-level summary, a complete and thorough review of the bills by regional centers is imperative for statutory compliance. Requirements and due dates for regional centers are included in this directive, to avoid the need for directives on individual topics. Below is a list of areas affected by, and/or new requirements resulting from these bills, and the sections of each bill where relevant statutory changes can be found:

- [Implicit Bias Training](#)
- [Rate Reform Hold Harmless Date & Quality Incentive Program Eligibility Requirements](#)
- [Eligibility for the Quality Incentive Program Rate Component](#)
- [Master Plan for Developmental Services](#)
- [Health and Safety Waiver Application Assistance](#)
- [Cost Effective Definition](#)
- [Self-Determination Program](#)
- [Tailored Day Program](#)
- [Parental Fee Program Repeal](#)
- [Employment Services](#)
- [Rates Updates](#)
- [Mandated Reporter Curriculum](#)

Implicit Bias Training

AB 143 Section 1: Welfare and Institutions Code Section 4511.1 was amended to make regional center implicit bias training subject to an appropriation by the Legislature. However, it is the intent of the Legislature for regional centers to continue to offer implicit bias training to the extent their resources allow.

Implementation: *The requirement for implicit bias training now is subject to an appropriation by the Legislature. The 2025 Budget Act includes no dedicated funding for the training. Therefore, regional centers are not required to provide this training until the Legislature*

appropriates funds in the future. Regional centers may offer the training if their resources allow.

Rate Reform Hold Harmless Date & Quality Incentive Program Eligibility Requirements

AB 143 Section 2: Welfare and Institutions Code Section 4519.10 was amended to change the expiration date of the hold harmless policy for providers whose rates exceed the rate model recommendations, from June 30, 2026, to February 28, 2026.

***Implementation:** Effective March 1, 2026, the rates for providers previously subject to the hold harmless provision will be adjusted to 100 percent of the posted rate model rate for those who earned the quality incentive payment, and 90 percent for all other providers. This adjustment will align provider rates within the same service category and region. The Department of Developmental Services (Department) issued [\(D-2025-Rate Reform-006\)](#) on July 2, 2025. Regional centers must review the language changes to comply and update policies, procedures, publications, and other materials as needed to reflect this change.*

Eligibility for the Quality Incentive Program Rate Component

AB 143 Section 2: Welfare and Institutions Code Section 4519.10 was amended to require that beginning in the 2026–27 fiscal year, providers must comply with electronic visit verification, home- and community-based services rules, and applicable annual fiscal review and audit requirements to be eligible for the quality incentive program. This program is the opportunity for providers included within rate reform to earn the last ten percent of their applicable rate model.

***Implementation:** The Department will issue guidance to regional centers. Regional centers must review the language changes to comply and update policies, procedures, publications, and other materials as needed to reflect this change.*

Master Plan for Developmental Services

AB 143 Sections 3 and 4: Welfare and Institutions Code Section 4580.5 was added to establish the Legislature’s intent for the Master Plan for Developmental Services, including receiving information on next steps and ongoing updates on implementation progress. Also, Welfare and Institutions Code Section 4581 was amended to establish meeting and reporting requirements regarding the implementation of any recommendations from the Master Plan for Developmental Services.

***Implementation:** There is no immediate impact on regional centers. The Master Plan Committee will meet twice per year to review the status of Master Plan recommendations.*

Health and Safety Waiver Application Assistance

AB 143 Section 6: Welfare and Institutions Code Section 4620.4 was amended to make regional center health and safety waiver application assistance subject to an appropriation by the Legislature.

***Implementation:** The 2025 Budget Act includes no dedicated funding for the specified assistance. The Department issued [guidance](#) to regional centers on June 18, 2025*

providing instructions for when and how to submit Health or Safety Waiver requests to the Department after July 1, 2025. Regional centers must review the language changes to comply and update policies, procedures, publications, and other materials as needed to reflect these changes.

Cost Effective Definition

AB 143 Section 7: Welfare and Institutions Code Section 4648 was amended to require the Department, with community input, to issue a written directive defining the term “cost effective” for all programs, including, but not limited to, the Self-Determination Program, no later than August 1, 2026.

***Implementation:** The Department will work with community partners, including regional centers, to define the term “cost effective” and will issue guidance to regional centers. After the definitions are established, regional centers must review the language changes to comply and update policies, procedures, publications, and other materials as needed to reflect these changes.*

Self-Determination Program

AB 143 Section 8: Welfare and Institutions Code Section 4685.8 was amended to require the Department to work with community partners, including regional centers, to develop statewide standardized processes, procedures, and timelines related to enrollment, individual budget development, spending plans, financial management services, services and access to transition supports.

Specifically, this bill:

- Requires the Department, by March 1, 2027, with community input, to develop statewide standardized processes and procedures and timelines to be used by all regional centers. These standardized processes and procedures will cover enrollment, individual budgets, spending plans, financial management services, and access to transition supports.
- Requires initial individual budgets to be the total amount of the most recent available 12 months of purchase of service authorizations plus services authorized by the Individual Program Plan (IPP) team but not currently provided in a purchase of service authorization, minus services paid for by the regional center outside of the self-determination program and minus one-time expenses.
- Requires the IPP team to discuss unmet needs for participants with no or low purchases of services, which historically has been identified as services less than \$2,000 per year.
- Allows participants to transfer between service codes and budget categories with approval from the regional center or the participant’s IPP team.
- Requires regional centers to provide timely authorization to the participant’s financial management services.
- Requires regional centers to certify spending plans to verify that goods and services satisfy the following criteria:
 - Address the individual’s desired outcomes as identified in the IPP.
 - Are not available from generic services, as defined by the Department.
 - Are eligible for federal financial participation.

Implementation: The Department will issue guidance to regional centers on these topics. Regional centers must and should only update policies, procedures, publications, and other materials as needed to reflect these changes after receiving the Department's guidance.

Tailored Day Services

AB 143 Section 9: Welfare and Institutions Code Section 4688.21 was amended to require the Department, by July 1, 2025, to set the hourly rate for tailored day services and publish it on its website.

Implementation: The Department already has posted the tailored day service [rates](#) on its website.

Parental Fee Program Repeal

AB/SB 143 Sections 5 and 10: Welfare and Institutions Code Section 4784 was repealed. This eliminated the parental fee program after June 30, 2025. A conforming change also was made to Welfare and Institutions Code Section 4620.3.

Implementation: As of July 1, 2025, this program is repealed. The Department issued [D-2025-Case Management-10](#) on July 14, 2025, ending the program and describing remaining collection activities and contact information for any questions.

Employment Services

AB 143 Section 11: Welfare and Institutions Code Section 4851 was amended to correct the name of the Commission on Accreditation of Rehabilitation Facilities, and to allow for group supported employment ratios of one direct service professional to two through eight individuals receiving employment services. This change is consistent with the funded rate model for group supported employment.

Implementation: Effective July 1, 2025, the Supported Employment – Group (SEP) ratios align with the already-published [rate models](#). Regional centers must review the language changes to comply and update policies, procedures, publications, and other materials as needed. The Department will issue instructions for new SEP group submissions and reporting any changes to group ratios.

Rates Updates—Employment Services

AB 143 Section 12: Welfare and Institutions Code Section 4857.1 was amended to eliminate the requirement that regional centers purchase habilitation services only from accredited community nonprofit agency providers.

Implementation: Effective July 1, 2025, the requirement for employment providers to have nonprofit status is removed. Regional centers shall work with new or existing for-profit vendors that currently are providing employment services under a different service code to become vendored for supported employment under service codes 950 or 952.

AB143 Sections 13 and 15: Welfare and Institutions Code Section 4860 was amended to require the Department to establish and publish the hourly rate for supported employment and group services on its website. A conforming change was made to Welfare and Institutions Code Section 4870.

Implementation: There is no immediate impact on regional centers. The Department already has posted supported employment and group services [rates](#) on its website.

AB 143 Section 14: Welfare and Institutions Code Section 4861 was amended to specify that any new work activity program will receive the rate posted on the Department's website.

Implementation: There is no immediate impact on regional centers. The Department already has posted work activity program [rates](#) on its website.

Mandated Reporter Curriculum

SB 119 Section 34: Welfare and Institutions Code Section 18950.1 was added to require the use of a standardized curriculum for child welfare mandated reporters. Mandated reporters are strongly encouraged to complete the training using the curriculum within the first three months of employment, or no later than March 1, 2030.

Implementation: According to their contracts with the Department, regional centers have a Zero Tolerance Policy that requires regional centers, its vendors and long-term health care facilities and their respective employees be informed and knowledgeable on reporting abuse. The Department of Social Services is required to develop a standardized curriculum for mandated reporters by July 1, 2027. This training shall be available on the internet. After that date, the Department intends to require regional centers to train all employees who are mandated reporters using the new standardized curriculum.

Sincerely,

Original Signed by:

PETE CERVINKA
Director

cc: Regional Center Administrators
Regional Center Directors of Consumer Services
Regional Center Community Services Directors
Association of Regional Center Agencies